



G O P A L A
P O L Y P L A S T L T D

28TH ANNUAL REPORT 2011-12

**BOARD OF DIRECTORS**

Shri Mahendra Somani	- Chairman
Shri Manoj Somani	- Managing Director
Shri Manish Somani	- Executive Director
Shri Jugal Kishore Khetawat	
Shri Malay Dalal	
Shri Balkrishna Mittle	
Shri Subhash Dalmia (resigned on 25.07.2011)	
Shri Rajkumar Poddar (from 01.10.2011)	
Ms. Anal Desai	- Company Secretary

REGISTERED & ADMIN. OFFICE

485, Santej Vadsar Road, Santej,
Taluka Kalol, Dist. Gandhinagar-382721

**REGISTRAR &
TRANSFER AGENT**

MCS LIMITED
101, 1st Floor, Shatdal Complex,
Opp. Bata Show Room, Ashram Road,
Ahmedabad-380 052

WORKS

- Unit-1 485, Santej Vadsar Road, Santej,
Taluka Kalol, Dist. Gandhinagar-382721
- Unit-2 Siddhi Vinayak Filaments
(A unit of Gopala Polyplast Ltd.)
Survey No 207/P, Plot No. 6,
Nr. Dadra Check Post, Village Dadra,
Union Territory of Dadra and Nagar Haveli.

AUDITORS

M/s. V. K. Moondra & Co.
Chartered Accountants

BANKERS

Industrial Development Bank of India Ltd.
Dena Bank

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28th Annual General Meeting

Day : Saturday

Date : 22nd September, 2012

Time : 11 a.m.

Venue : 485, Santej Vadsar Road,
Santej, Taluka Kalol,
Dist. : Gandhinagar-382721.



NOTICE

Notice is hereby given that the 28th Annual General Meeting of GOPALA POLYPLAST LIMITED will be held at Plot No. 485, Santej Vadsar Road, Santej, Taluka Kalol, Dist. Gandhinagar - 382721, Gujarat on Saturday, 22nd September, 2012 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Profit & Loss Account of the Company for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Mahendra Somani, who retires by rotation and being eligible, offers himself for reappointment
3. To appoint a Director in place of Mr. Manish Somani, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors, to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution :

"RESOLVED THAT Mr. Rajkumar Poddar who is appointed as an Additional Director in the meeting of Board of Directors held on 1st October, 2011 and who holds office as such upto the date of 28th Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Mr. Rajkumar Poddar as a candidate for the office of Director of the Company be and is hereby appointed as a Director of the Company, whose period of office shall be liable to determination by retirement of Director by rotation".

6. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Section 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company do hereby accord its approval to the appointment of Mr. Mahendra Somani as a whole-time Director of the Company for a period of five years with effect from 1st October, 2011 to 30th September, 2016 on such terms and conditions and on such remunerations (approved by the 'Remuneration Committee') as set out in the draft agreement of appointment submitted to this meeting duly initialled by the Chairman for identification.

RESOLVED FURTHER THAT the extent and scope of Salary and Perquisites as specified in the Explanatory Statement be altered, enhanced, widened or varied by the Board of Directors or any Committee thereof from time to time in accordance with the relevant provisions of the Companies Act, 1956 for the payment of managerial remuneration in force during the tenure of the Whole-time Director without the matter being referred to the Company in General Meeting again."

By Order of the Board

Manoj Somani

Managing Director

Place : Santej

Date : 31st July, 2012

NOTES :

1. The relevant Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, in respect of the special business above are annexed thereto
2. The Register of Members and Share Transfer Books of the Company will remain closed from 20th September, 2012 to 22nd September, 2012 (Both days inclusive).
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the time fixed for the meeting.
4. Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting.
5. Shareholders seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM NO. 5**

The Board of Directors appointed Mr. Rajkumar Poddar as an Additional Director on 01/10/2011 pursuant to the provision of Article 92 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956 to hold the office upto the date of forthcoming Annual General Meeting.

The Company has received notice in writing along with the deposit of Rs. 500/- from a member in terms of Section 257 of the Act signifying his intention to propose Mr. Rajkumar Poddar for the office of Director.

Mr. Rajkumar Poddar is willing to act as Director of the Company, if appointed, and has filed his consent pursuant to Section 264 (1) of the Companies Act, 1956. Mr. Rajkumar Poddar, aged 65 years, is S.S.C.E. Passed and is having very large experience of textile business.

The Board recommends the above Resolution for the approval of the members.

None of the Directors is concerned or interested in the resolution, except Mr. Rajkumar Poddar.

ITEM NO. 6

The Board of Directors in their meeting held on 1st October, 2011 has appointed Mr. Mahendra Somani as a Whole-time Director for a period of five years i.e. from 1st October, 2011 to 30th September, 2016 on such remuneration as approved by the Remuneration Committee.

The major terms and conditions of his reappointment are as under:

I. PERIOD:

The term of the Whole-time Director shall be for a period of five years from 1st October, 2011 to 30th September, 2016.

II. REMUNERATION:

A. SALARY : Rs. 20,000/- per month

B. COMMISSION : Nil

C. PERQUISITES : In addition to salary, the Following perquisites not exceeding the overall ceiling prescribed under schedule XIII of the Companies Act, 1956 will be provided to the Whole-time Director.

i. MEDICAL REIMBURSEMENT :

Reimbursement of medical expenses for self and family as per Rules of the Company.

ii. CLUB FEES :

Fees of clubs, subject to a maximum of two clubs. This will not include admission and Life Membership fees.

iii. PERSONAL ACCIDENT INSURANCE :

Personal Accident Insurance Cover as applicable will be provided to him by the Company. Premium payable shall not exceed Rs. 2000/-

iv. COMPANY CAR / PHONE :

One car with the services of driver, to be maintained by the company for official use and Phone to be used for official purpose.

v. GRATUITY :

Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

vi. LEAVE ENCASHMENT :

Earned / Privilege leave may be allowed as per the Rules of the Company. Leave accumulated and not availed of during his tenure as Whole-time Director may be allowed to be encashed at the time of end of his tenure as per Rules of the Company

Reimbursement of Actual Expenses : Reimbursement of entertainment, traveling and all other expenses actually and properly incurred in the course of legitimate business of the Company.

So long as Mr. Mahendra Somani functions as a Whole-time Director, he shall not be paid any sitting fees for attending the meeting of the Board or any Committee thereof.

The Whole-time Director shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.

**III. DUTIES:**

Subject to the superintendence, direction and control of the Board of Directors of the Company, the Whole-time Director, while looking after General Administration of the Company, shall manage the business and affairs of the company and exercise all the powers vested in Directors except those which are specifically required by the Companies Act, 1956 to be exercised only at a Meeting of the Board subject to any limitation or condition which may be prescribed by the Act or Board or by the Company in General Meeting.

IV. TERMINATION:

The Whole-time Director may be removed by the Company from his office for gross negligence, breach of duty or trust by giving 90 days notice. The Whole-time Director may resign from his office by giving 90 days notice to the Company.

If at any time the Whole-time Director ceases to be a director of the company from any cause whatever, he shall cease to be Whole-time Director

V. COMPENSATION:

In the event of termination of office of Whole-time Director takes place before the expiration of tenure thereof, Whole-time Director shall be entitled to receive compensation from the Company for loss of office to the extent and subject to limitation as provided under section 318 of the Companies Act, 1956.

As per the provisions of Sections 198, 269 and 309 and all other applicable provisions, if any, of the Companies Act, 1956 consent of the Company accorded by Ordinary Resolution is necessary for holding office as Whole-time Director of the Company on remuneration.

The terms and conditions mentioned in the above explanatory statement may be treated as abstract of the terms of proposed contract under Section 302 of the Companies Act, 1956.

Resolution of the Board of Directors appointing Mr. Mahendra Somani as a Whole-time Director and Draft agreements of appointment are open for inspection at the Registered Office of the Company between 11.00 A.M. to 1.00 P.M. on any working day prior to the date of the meeting.

Mr. Mahendra Somani is concerned or interested in the business since it relates to his appointment as a Whole-time Director of the Company. Mr. Manoj Somani and Mr. Manish Somani, Directors may also be treated as concerned or interested in the resolution since Mr. Mahendra Somani is their relative. No other Director of the Company is deemed to be concerned or interested in the resolution.

By Order of the Board

Manoj Somani

Managing Director

Place : Santej

Date : 31st July, 2012

**Details of the Directors seeking appointment in forthcoming Annual General Meeting
(in pursuance of clause 49 Of the Listing Agreement)**

Name of Director	Mr. Mahendrakumar Somani	Mr. Manish Somani	Mr. Rajkumar Poddar
Date of Birth	02/10/1947	20/09/1968	19/07/1947
Date of appointment	31/07/2006	20/05/1995	01/10/2011
Expertise in specific functional areas	Industrialist	Industrialist	Textile Business
Qualifications	F.Y.B.Com.	B.Com., PGDBM	F.Y.B.Com
List of other Public Companies in which Directorship held as on 31/03/2012	Kamala Mercantile Limited	NIL	NIL
Chairman / Membership of the Committees of the Board of the Companies on which he is a Director	NIL	Gopala Polyplast Limited Shareholder/Investors Grievances Committee – Member Share Transfer Committee - Member	Gopala Polyplast Limited Audit Committee - Member Remuneration Committee - Member

**DIRECTORS' REPORT****Dear Shareholders,**

Your Directors have pleasure in presenting before you, the 28th Annual report and the Audited Accounts for the financial year ended 31st March, 2012.

FINANCIAL RESULTS

The Financial results of the Company are summarized below:

	2011-12	Rs. in Lacs 2010-11
GROSS PROFIT (LOSS)(PBDIT)	658.10	223.85
Less:		
Interest & Financial Charges	330.45	227.46
Depreciation	247.94	257.91
PROFIT / (LOSS) BEFORE TAX & EXTRA ORDINARY ITEM	79.71	(261.52)
Add:		
Extra Ordinary Item	—	309.89
PROFIT / (LOSS) BEFORE TAX	79.71	48.37
Less:		
Provision for Deferred Tax	(78.99)	23.02
PROFIT / (LOSS) AFTER TAX	158.70	25.35
Add: Balance brought forward	(1,409.22)	(1,434.57)
Profit / (Loss) available for Appropriation	—	—
APPROPRIATIONS	—	—
Balance carried forward to next year	(1,250.52)	(1,409.22)

EQUITY / PREFERENCE DIVIDEND

Due to inadequate distributable profits, your directors do not recommend dividend on Equity Shares and Preference Shares for the year 2011-12.

EXPANSION & MODERNISATION

The company is regularly upgrading its plant and machinery and has spent Rs. 70.62 lakhs on plant and machinery during the year under review.

MANAGEMENT DISCUSSION AND ANALYSIS

As required by Clause 49 of the Listing Agreement with the Stock Exchange, a Management Discussion and Analysis Report is appended.

DIRECTORS

Mr. Mahendra Somani and Mr. Manish Somani, retire by rotation at the forthcoming Annual General Meeting, and being eligible offer themselves for re-appointment.

Mr. Rajkumar Poddar, who was earlier appointed as Additional Director 01/10/2011, is proposed to be appointed as Director of the Company at the next Annual General Meeting.

DIRECTORS RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217(2AA) OF THE COMPANIES ACT, 1956.

The Directors hereby confirm, that they have :

- followed in the preparation of the annual accounts, the applicable accounting standards along with proper explanation relating to material departures;
- selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for that period;



- iii. taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. prepared the annual accounts on a going concern basis.

DEPOSITS

The Company has not accepted any deposits to which the provisions of Section 58A of the Companies Act, 1956 are applicable.

DELISTING OF EQUITY SHARES

The Company has applied to the Calcutta Stock Exchanges for voluntary delisting and its outcome is still awaited. The equity shares of the Company are continued to be listed on the Bombay Stock Exchange Limited (BSE).

CONSUMPTION OF ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE EARNING AND OUTGO

The information required under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 is annexed hereto and forms part of this report.

The total earning in foreign exchange from Direct Exports is Rs. 237.22 lacs. (Previous year - Rs. 152.82 lacs)

The total foreign exchange out flow during the year is Rs18.36 Lacs (Previous year - Rs. 15.07 Lacs).

PERSONNEL

The employee relation situation in your Company was satisfactory. Your Directors place on record their appreciation for the hard work and dedication of the employees in enhancing the productivity and effectiveness of the Organisation.

There is no employee who is in receipt of remuneration exceeding the limits specified under sub-section 2A of Section 217 of the Companies Act, 1956.

CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement, a Report on Corporate Governance is appended along with Certificate of Compliance from the Auditors.

AUDITORS

M/s. V. K. Moondra & Co., Statutory Auditors of the Company, retire at the forthcoming Annual General Meeting and are eligible for reappointment.

ACKNOWLEDGMENT

The Board of Directors places on record its warm appreciation for the devoted services of the staff at all levels of the Company who have contributed all these years to the growth of the Company. The Board of Directors gratefully acknowledge support extended by various Government Authorities, customers, investors, Banks and Financial Institutions to the Company from time to time.

For and on behalf of the Board of Directors

Santej
31st July, 2012

Mahendra Somani
Chairman

**ANNEXURE TO THE DIRECTORS' REPORT**

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.

A. CONSERVATION OF ENERGY

Energy conservation measures taken by the Company involves mainly selection & installation of energy efficient equipment and energy saving devices. The impact of above measures on the cost of production is not precisely ascertainable.

B. TECHNOLOGY ABSORPTION

a. Research & Development The Company has not so far formally established a Research & Development wing. However it is getting its technology updated in consultation with the machinery manufacturers on a continuous basis.

b. Technology absorption, adaptation & innovation The Company has not imported any technology.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO (Rs. in Lacs)

	2011-12	2010-11
a. Foreign Exchange Earnings	237.32	152.82
b. Foreign Exchange Outgo	18.36	15.07

FORM – A**DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY****I. POWER AND FUEL CONSUMPTION:**

	2011-12	2010-11
Electricity		
1. Purchased from GEB Units (KWH)	79,78,998	28,42,925
Total Amount (Rs.)	4,91,02,896	1,72,00,613
Rate per unit (Rs.)	6.15	6.05
2. Own Generation (through D.G. sets)		
Total Units Generated (KWH)	14,328	31,631
Total Amount (Rs.)	1,56,351	3,87,214
Cost per unit (Rs.)	10.91	12.24
3. Own Generation (CPP-Gas)		
Total Units Generated (KWH)	6,32,853	69,10,716
Total Amount (Rs.)	65,77,674	4,21,74,461
Cost per unit (Rs.)	10.39	6.10

II. CONSUMPTION PER UNIT OF PRODUCTION

Product	PP Woven Sacks	
	2011-12	2010-11
Production (Tons)	11,779	12,341
Total No. of Units (KWH)	86,26,179	88,74,519
Units per Ton (KWH)	732	719

* Quantitative details of Label Division cannot be compiled hence the relevant details are not given.

REPORT ON CORPORATE GOVERNANCE

Report on Corporate Governance for the year 2011-12 as per clause 49 of the Listing Agreement is placed here below :

1. Board of Directors :

The Company is managed by Board of Directors comprising a Executive Chairman, 2 executive directors and 4 non-executive directors. Of these directors, 3 are independent directors.

The composition of directors and their attendance at the board meetings during the year and at the last annual general meeting, as also the number of their other directorships/committee positions are given in the following tables :

Table 1 : Composition of Board of Directors and number of other directorships and committee positions held as on 31st March, 2012 :

Director	Executive / Non-executive Independent	Number of Directorships of other Public companies	Committee positions	
			As Chairman	As Member
Mahendra Somani	Executive, Chairman	1	-	-
Manoj Somani	Executive	2	1	1
Manish Somani	Executive	-	-	2
Jugalkishore Khetawat	Non-executive	8	-	-
Malay Dalal	Non-executive, Independent	-	3	-
Balkrishna Mittle	Non-executive, Independent	-	-	2
Rajkumar Poddar	Non-executive, Independent	-	-	2

As mandated by the revised clause 49, the independent directors on the Company's Board

- Apart from receiving Directors remuneration, do not have any material, pecuniary relationship or transactions with the Company, its promoters, its Directors, its senior management or its associates, which may affect the independence of the Director.
- Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board.
- Have not been executive of the Company in the immediately preceding three financial years.
- Are not partners or executives or were not partners or executive during the preceding three years of the
 - Statutory Audit firm or the internal audit firm that is associated with the Company.
 - Legal firm(s) and consulting firm(s) that have a material association with the Company.
- Are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect their independence.
- Are not substantial shareholders of the Company i.e. do not own two percent or more of the block of voting shares.

Table 2 : Attendance of Directors at Board Meetings and at the last AGM :

Director	Number of Board Meetings		Last AGM Attendance
	Held	Attended	
Mahendra Somani	6	6	Yes
Manoj Somani	6	6	Yes
Manish Somani	6	6	Yes
Jugalkishore Khetawat	6	0	No
Malay Dalal	6	5	Yes
Balkrishna Mittle	6	5	No
Subhash Dalmia (*)	1	0	N.A.
Rajkumar Poddar (**)	4	3	N.A.

(*) Mr. Subhash Dalmia resigned from the Board of Directors w.e.f. 25/07/2011

(**) Mr. Rajkumar Poddar appointed as Director on 01/10/2011

Tale 3 : No. of Board Meetings held and dates of meetings.

No. of Board Meetings held during the year 2011-12	Dates of Meetings
6	30/05/2011, 30/07/2011, 01/10/2011, 31/10/2011, 31/01/2012 and 17/03/2012. The maximum time gap between any two consecutive meetings did not exceed four months.

Disclosure regarding directors considered for appointment / re-appointment :

At the annual General Meeting of the Company, Mr. Mahendra Somani and Mr. Manish Somani are retiring by rotation and being eligible for reappointment are proposed to be reappointed. Their brief particulars are annexed with the notice convening Annual General Meeting.

Information placed before the Board of Directors :

The Board of the Company was presented with all the relevant and necessary information at their meetings such as production, sales, capital expenditure budgets, actual performance statistics, review of business, any legal proceedings by or against the Company, Share transfer compliance, quarterly financial results, minutes of the meetings of the Audit Committee, Share Transfer Committee and Shareholders/Investors Grievance Committee, Staff matters including senior appointments, significant labour and human relations matters, and such other information.

2. Audit Committee :

The Company had constituted a three-member Audit Committee on 31/07/2001 comprising of Mr. Prashant Somani, Mr. Manoj Somani and Mr. Shreeprakash Somani in compliance with the requirement of Section 292A of the Companies Act, 1956. The Committee was lastly reconstituted on 01/10/2011, comprising of non-executive directors and all of them are independent directors. The members of the Committee are Mr. Malay Dalal, Chairman, Mr. Balkrishna Mittle and Mr. Rajkumar Poddar. Mr. Malay Dalal, Chartered Accountant has good financial and accounting knowledge. The Chairman of the Audit Committee attended the Annual General Meeting of the Company held on 30/09/2011.

The Broad terms of reference of the Audit Committee are as follows :

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to :
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism, as and when implemented by the Company.

13. To review the following information

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The committee met four times during the year ended 31st March, 2012 on 30/05/2011, 30/07/2011, 31/10/2011 and 31/01/2012.

Name of the member Director	Number of Meetings	
	Held	Attended
Malay Dalal	4	4
Mahendra Somani	2	2
Balkrishna Mittle	4	4
Rajkumar Poddar	2	2

3. **Remuneration Committee :**

Remuneration Committee comprised of Mr. Malay Dalal, Mr. Balkrishna Mittle and Mr. Rajkumar Poddar. The committee met once during the year ended 31st March, 2012.

Name of the Member Director	Number of Meetings	
	Held	Attended
Malay Dalal	1	1
Balkrishna Mittle	1	1
Rajkumar Poddar	1	1

4. **Director's Interests in the Company :**

Table 4 gives (a) full details of remuneration paid to each director (b) their relationships with other directors (where applicable), and (c), their business interests with either the Company or its directors (where material).

Table 4 : Relationships of directors, their business interests and remuneration paid :

Director	Relationship with other directors *	Business relationship with the company if any	Remuneration paid/payable during 2011-12 (in Rs.)			
			Sitting Fees	Salary & Perks	Comm-ission	Total
Mahendra Somani	Father of Manoj Somani and Manish Somani	None	Nil	1.34	Nil	1.34
Manoj Somani	Son of Mahendra Somani	None	Nil	13.10	Nil	13.10
Manish Somani	Son of Mahendra Somani	None	Nil	10.08	Nil	10.08
Jugal Kishore Khetawat	None	None	Nil	Nil	Nil	Nil
Malay Dalal	None	None	Nil	Nil	Nil	Nil
Balkrishna Mittle	None	None	Nil	Nil	Nil	Nil
Subhash Dalmia	None	None	Nil	Nil	Nil	Nil
Rajkumar Poddar	None	None	Nil	Nil	Nil	Nil

* as defined under Section 6 of the Companies Act, 1956.

Table 5 : No. of shares held by non-executive directors as on 31st March, 2012 :

Director	No. of shares held
Jugalkishore Khetawat	1,60,900
Malay Dalal	Nil
Balkrishna Mittle	Nil
Rajkumar Poddar	Nil

* During the year 2011-12, the Company did not advance any loan to any of the directors.

**5. Shareholders' / Investors' Grievance Committee :**

The Company constituted a three-member Committee designated as 'Shareholders/Investors Grievance Committee' under the chairmanship of Mr. Malay Dalal, Non-executive director and Mr. Manoj Somani, Managing Director and Mr. Manish Somani, Executive Directors to specifically look into the redressing of shareholder and investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.

The committee met once during the year ended on 31st March, 2012, which was attended by Mr. Malay Dalal, Mr. Manoj Somani and Manish Somani.

The relevant data are as under :

Name of non-executive director heading the committee	:	Mr. Malay Dalal
Name and designation of Compliance Officer	:	Mr. Chirag Parikh Astd. Manager (Accounts)
Number of shareholders' complaints received during the year	:	1
Number of shareholders' complaints not solved to the satisfaction of shareholders	:	Nil
Number of share transfers pending for over 30 days as on 31-3-2012.	:	Nil

6. General Body Meetings :

Location and time, where last three AGMs held :

AGM Number	Date & Time	Venue
25th	24/09/2009 at 11.00 a.m.	Plot No. 485, Santej Vadsar road, Santej, Taluka Kalol, Dist. Gandhinagar-382721, Gujarat.
26th	30/09/2010 at 11.00 a.m.	Plot No. 485, Santej Vadsar road, Santej, Taluka Kalol, Dist. Gandhinagar-382721, Gujarat.
27th	30/09/2011 at 11.00 a.m.	Plot No. 485, Santej Vadsar road, Santej, Taluka Kalol, Dist. Gandhinagar-382721, Gujarat.

Any special resolution passed at these meetings through postal ballot last year	No
Person who conducted the postal ballot exercise	Not applicable
Any special Resolution proposed to be conducted through postal ballot	No
Procedure adopted for postal ballot	Not applicable

7. Disclosures :**a. Related party transaction**

Disclosures on materially significant related party transactions during the year ended on 31st March, 2012 i.e., transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interest of the Company at large :

Related party transactions of the Company during the year are as under : -

Sr. No.	Particulars	Transaction value (Rs. in lacs)	Outstanding Amount carried in Balance Sheet (Rs. In lacs)
1.	Remuneration to Mr. Manoj Somani, Managing Director	13.10	1.40
2.	Remuneration to Mr. Manish Somani, Executive Director	10.08	1.12
3.	Remuneration to Mr. Mahendra Somani, Whole-time Director	1.34	0.22
4.	Rent paid to Mr. Manoj Somani, Managing Director	0.26	—
5.	Rent paid to Smt. Purnima Somani, Spouse of Mr. Manish Somani	0.27	—
6.	Rent paid to Smt. Ushadevi Somani mother of Mr. Manoj Somani, Managing Director and Mr. Manish Somani, Executive Director	2.38	—
7.	Loan taken from Mr. Mahendra Somani, Whole-time Director	5.00	5.00
8.	Loan taken from Status Credit and Capital Pvt. Ltd.	43.90	64.60
9.	Loan taken from Navjeevan Synthetics Ltd.	11.03	—
10.	Loan taken from Indian Bobbin Manufacturing Company Pvt. Ltd.	60.00	180.00
11.	Loan taken from New Life Marketing and Trading Pvt. Ltd.	50.00	175.00
12.	Interest Paid on Loan taken from related parties	7.78	6.65

**b. Accounting treatment**

There is no deviation in following the treatment prescribed in Accounting Standard in preparation of financial statements for the year 2011-12.

c. Certification from Managing Director

The requisite certification from the Managing Director to be given under clause 49 (v) has been placed before the Board of Directors of the Company.

d. Details of non-compliance with regard to capital market during the last three years

There were no penalties imposed nor strictures passed on the Company by Stock Exchanges, SEBI or any other statutory authority on any matter related to capital markets, during last three years.

8. Means of Communication :

Half-yearly report sent to each household of shareholders	No. The report was published in prominent dailies. Intimations were sent to Stock Exchanges and Press Releases were issued
Quarterly Results	The report of each quarterly results was published in prominent dailies, Intimations were sent to Stock Exchanges and Press Releases were issued well within the time limit stipulated under the Listing Agreement.
Which newspapers normally published in	Western Times
Any website, where displayed	www.gopalapolyplast.com
Whether it also displays official news releases	No
The presentations made to institutional investors or to the analysts	Nil
Whether Management Discussion & Analysis Report is a part of annual report or not.	Yes

9. General Shareholder Information :

Annual General Meeting :	
Date	22nd September, 2012
Time	11.00 a.m.
Venue	Plot No. 485, Santej Vadsar Road, Santej, Taluka Kalol, Dist. Gandhinagar-382721, Gujarat
Financial Calendar for 2012-13 (tentative) Result for the quarter ending 30/06/2012 Result for the quarter ending 30/09/2012 Result for the quarter ending 31/12/2012 Result for the quarter ending 31/03/2013 Annual General Meeting	Last week of July, 2012 Last week of October, 2012 Last week of January, 2013 Last week of April, 2013 September, 2013
Date of Book Closure for AGM	20th Sep. 2012 to 22nd Sep. 2012 (both day inclusive)
Date of Dividend Payment	Not applicable
Listing on Stock Exchanges	Bombay Stock Exchange Limited and The Calcutta Stock Exchange Association Ltd. The company has paid annual listing fees of the Bombay Stock Exchange Limited for the year 2012-13. The annual listing fees of The Calcutta Stock Exchange Association Limited for the years 2005-06, and onwards have not been paid as the Company has submitted application for delisting of its security from the said Stock Exchange on 07/03/2005.
Stock Code/ Symbol (Physical)	Mumbai Stock Exchange – 526717
Demat ISIN Number for NSDL & CDSL	INE136C01028
Market Price Date : High, Low during each month in the financial year 2011-12.	As per Table 6
Performance in comparison to broad-based indices i.e. BSE Sensex during 2011-12	GPL Share – (-)33.71% (From Rs.2.61 to Rs.1.73) BSE Sensex – (-)10.50% (From 19445.22 to 17404.20)



Registrar and Transfer Agents (Share transfers and communications regarding share certificates and change of address)	MCS Limited - 101, 1st Floor, Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahmedabd-09 Phone : +91-79-26582878, 26581296
Share Transfer System	All the shares related to work is being undertaken by MCS Limited our R & T Agent. All the statements relating to Share Transfer, Transmission, Split-up, Consolidation are regularly placed before the Share Transfer Committee which meets at frequent intervals for their approval and thereafter placed before the meeting of the Board of Directors of the Company for noting. Presently, the share transfers, which are received in physical form are processed and share certificates returned within 30 days from the date of receipt, subject to the documents being valid and complete in all respect.
Distribution of Shareholding & Category-wise distribution of Equity Shareholders	As per Table 7
Dematerialisation of shares and liquidity	As per Table 8
Outstanding GDRs/ ADRs//Warrants or any Convertible instruments, conversion date and likely impact on equity.	NIL
Plant Location	<ul style="list-style-type: none"> Block No. 485, Santej – Vadsar Road, Santej, Taluka - Kalol, Dist.: Ghandhinagar - 382 721 Survey No 207/P, Plot No. 6, Nr. Dadra Check Post Village Dadra, Union Territory of Dadra and Nagar Haveli.

Annexures to Report on Corporate Governance**Table 6 : Market Price Data :**

High, Low During Each Month in the Financial Year 2011-12

Month & Year	Mumbai Stock Exchange (Face Value Rs.5/ per share)	
	High	Low
April – 2011	3.64	2.37
May - 2011	2.96	2.29
June - 2011	2.93	2.30
July - 2011	3.31	2.37
August - 2011	2.87	2.26
September - 2011	2.94	2.20
October - 2011	2.57	2.12
November- 2011	2.60	1.42
December - 2011	1.99	1.40
January - 2012	2.80	1.56
February - 2012	2.55	1.78
March - 2012	1.99	1.37

Table 7 : Distribution of Shareholdings as on 31/03/2012

No. of Equity Shares held	No. of Shares held	% of Total shares	No. of Shareholders	% of Total Shareholders
1 to 500	933732	4.28	3804	61.40
501 to 1000	912429	4.18	999	16.13
1001 to 2000	949259	4.35	552	8.91
2001 to 3000	527198	2.41	196	3.16
3001 to 4000	394498	1.81	108	1.74
4001 to 5000	786820	3.60	162	2.62
5001 to 10000	1291391	5.92	168	2.71
10001 and above	16035673	73.45	206	3.33
TOTAL	21831000	100.00	6195	100.00

Category-wise Distribution of Shareholding as on 31/03/2012

Sr. No.	Category	No. of Shareholder	No. of Shares Held	% of Total Shares
1.	Promoters	30	7965865	36.49
2	Public Financial Institutions and Banks	0	0.00	0.00
3.	Mutual Funds	1	1000	0.01
4.	Bodies Corporate (Other than promoter)	194	3834604	17.56
5.	Non- Resident individuals	74	474108	2.17
6.	Indian Public	5896	9555423	43.77
	Total	6195	21831000	100.00

Table 8 : Break-up of Shares in Physical & Electronic Mode as on 31/03/2012

Mode	No. of shareholders	% of Total shareholders	No. of shares	% to Total Shares
Physical	1533	24.75	7902700	36.20
Electronic	4662	75.25	13928300	63.80
Total	6195	100.00	21831000	100.00

10. Management Discussion and Analysis Report

a) Industry Structure and developments

Gopala Polyplast Limited has been in the HDPE/PP woven sacks industry right from its inception. Today the Company is one of the largest manufacturer of PP Woven Sacks for Cement Industry in the Country. The Company has also diversified its activities by setting up facilities for manufacture of textile woven labels.

In India, Cement demand witnessed a compounded annual growth rate of more than 8% in the last 10 years and is likely to grow annually by about 10% basis on the high correlation which the cement industry bears with the overall GDP growth. This in turn is expected to lead to healthy demand situation for woven sacks. However, rising crude oil and inflation has resulted into inevitable rise in the input costs. The Company is pressing hard for upward revision in the conversion prices from its customers, which is expected to go through during the second quarter of the current financial year.

The growth of organized retailing through huge malls and increase in the demand of ready to wear garments because of changing fashion trends, have led to growth in demand of labels. However due to the appreciation of Rupee against the US Dollar the garment exports from the country has plummeted thereby affecting the label business. The Company has made inroads in the domestic garments sector however the margins therein are lower and accordingly the performance of this division was adversely affected.

b) Opportunities and threats

Opportunities :

With the beginning of organized retailing of agro products the packaging requirement with value added PP woven bags will emerge creating a new market for the company's product.

Organised retailing has also resulted in a jump in Ready to wear garments sector, promising growth for the label industry.

Threats :

The threats of competition out of new capacities, fluctuation in petrochemical prices, increasing interest rates may put pressure on the Company's performance.

c) Segment-wise or product-wise performance

The details have been furnished under Sl. No. 13 of the notes to the financial statement of the Balance-sheet.

d) Outlook

Demand for the Company's products depends on the growth in demand for the products of its user industries, such as Cement, Sugar, Foodgrains in case of PP bags and Garment industry in case of Labels. Both the segment are buoyant due to overall growth of economy. Hence the outlook for the both the product is bright for the current year.

e) Risks and concerns

Some of user industries for the Company's products are restricted to use PP sacks as stipulated under Jute Packaging Materials (Compulsory Use in Packaging Commodities), Act, 1987, which affect the demand. Though the Company is not affected by the said restriction as its major sales is to Cement sector, it definitely impacts the growth plans. However SAC has recommended dilution of the said Act, which may open up Sugar & Food grain markets to Woven sacks industry.

f) Internal Control System and their adequacy

The company has strong internal control systems, which have been found adequate by the management of the company. The company has also constituted an audit committee to further strengthen the internal audit control systems in the Company.

g) Discussion on financial performance with respect to operational performance

The overall financial performance for the year under review has been Improved as compared to previous year due to various factors.

h) Human Resources Development and Industrial Relations

The company have a very good team of dedicated persons who are continuously and consistently putting their efforts to pull out the company from its current situation. The initiative and the eagerness in each one of us to keep trying is our most important asset. Through training programmes and value based teachings, we have tried to keep the motivational levels high amongst our people.

Industrial relations within the Company as well as public relations with all outside agencies have been most cordial. The Board wishes to place on record its appreciation for the sustained efforts of all employees towards attaining the present performance.

i) Material financial commercial transactions, where the management has personal interest which have a potential conflict with the Interest of the Company at large.

The financial commercial transactions where the management has personal interest have been listed under Sl. No. 12 of the notes to the financial statement. None of the transactions have a conflict with the interest of the company at large.

11. Status of Compliance of Non-mandatory requirements :**(i) Remuneration Committee**

The Remuneration Committee comprised of Mr. Malay Dalal, Mr. Balkrishna Mittle and Mr. Rajkumar Poddar, Independent Directors of the Company as member of the Committee.

(ii) Shareholders' Right

Half yearly financial results including summary of the significant events in the last six months are presently not being sent to shareholders of the Company.

(iii) Audit Qualifications

There are no qualifications in the Auditors' Report on the financial statements to the Shareholders of the Company.

**(iv) Training of Board Members**

There is no formal policy at present for training of the Board Members of the Company as the members of the Board comprises eminent, experienced and professional persons.

(v) Mechanism for evaluating non-executive Board Members.

There is no formal mechanism existing at present for performance evaluation of non-executive directors.

(vi) Whistle Blower Policy

The Company has not established any formal whistle blower policy.

DECLARATION

The Board of Directors of the Company at their meeting held on 28/10/2005 have adopted the Code of Conduct for the members of the Board of Directors and Senior Management of the Company and the same has been posted on the website of the Company. As stipulated under the provisions of the sub-clause I(D) (ii) of Clause 49 of the Listing Agreement with the Stock Exchanges, all the Directors and the designated personnel in the Senior Management of the Company have affirmed compliance with their respective Codes for the financial year ended 31/03/2012.

For Gopala Polyplast Limited

Date : 31st July, 2012

Manoj Somani
Managing Director

Auditors' Certificate on Corporate Governance

To the Members of

GOPALA POLYPLAST LIMITED

We have examined the compliance of conditions of Corporate Governance by GOPALA POLYPLAST LIMITED for the year ended on 31st March, 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We have to state that in respect of investor's grievances, no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the shareholder's/ Investor's Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For M/s. V. K. Moondra & Co.
Chartered Accountants

Date : 31st July, 2012

V. K. Moondra
Proprietor

**AUDITORS' REPORT**

To,

The Shareholders

GOPALA POLYPLAST LIMITED

We have audited the attached Balance Sheet of GOPALA POLYPLAST LIMITED as on 31st March, 2012, the Profit & Loss account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' Report) Order 2003 (after incorporating the amendments made by the Companies (Auditor's Report) (Amendment) Order 2004, dated 25th November, 2004) issued by the Central Government of India in terms of Sub-section (4A) of Section-227 of the Companies Act, 1956 we enclose in the annexure, a statement on the matters specified in paragraphs 4 & 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph 1 above we state that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of such books.
 - c) The Balance sheet, the Profit & Loss account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act 1956.
 - e) On the basis of the written representations received from the director's as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in term of Clause (g) of Sub Section (1) to Section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to explanations given to us the said accounts, read with significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012, and;
 - ii) in the case of the Profit & Loss account, of the Profit of the Company for the year ended on that date.
 - iii) in the case of cash flow statement, of the cash flow for the year ended on that date.

For V. K. Moondra & Co.

FRN No. 106563W
Chartered Accountants

Place : Santej
Date : 30th May, 2012

V. K. Moondra
Proprietor
M. No.: 70431



**Annexure referred to in paragraph 1 of report of even date of the Auditors' Report
to the members of GOPALA POLYPLAST LIMITED on the accounts
for the period ended on 31st March 2012**

- 1) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b) The assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification. In our opinion the frequency of physical verification of Fixed Assets is reasonable.
c) As Per information and explanation given by management during the year the company has not disposed major part of fixed assets having effect on going concern.
- 2) a) The Stock of finished goods, stores spares and raw material have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable having regard to the nature of business and particular circumstance.
b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.
c) On the basis of our examination of the record of inventory we are of the opinion that the company is maintaining proper records of inventory. Discrepancies which were noticed on physical verification of inventory as compared to books records have been properly dealt with in the books of accounts.
- 3) a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly the provisions of clause (iii) (b), (c) and (d) of the order are not applicable to the company.
b) The company has taken unsecured loans from eight parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year Rs. 653.58 lakhs and the year end balances were Rs. 611.36 lakhs.
c) According to the information and explanation given to us, in our opinion, the rate of interest and other terms and conditions of above loans taken by the company, are not prima facie prejudicial to the interest of the company.
d) According to the information and explanation given to us, the parties covered under section 301 from whom loans and advance in the nature of loan taken are repayable on demand so there is no question of being regular in repayment of principal and interest.
- 4) In our Opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services, During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- 5) In our opinion and according to the information and explanations given to us, transactions that are made in pursuance of contracts or arrangements that needed to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- 6) The Company has not accepted any deposit from the public within the meaning of section 58A and 58AA of the Companies Act 1956, and the rules framed there under.
- 7) In our opinion, the Company has an in-house internal audit system commensurate with the size and nature of its business.
- 8) The cost records as prescribed under section 209 (1) (d) of the Companies Act, 1956 for the products of the Company have been properly maintained.
- 9) a) According to the records of the Company, the company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, investor, education and protection fund, employee state insurance, Income tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues applicable to it.
b) According to the information and explanation given to us, no undisputed amount payable in respect of provident fund, investor education & protection fund, employees' state insurance, income-tax, wealth-tax, service-tax, sales-tax, custom duty and other undisputed statutory dues were outstanding, at the year end for a period of more than six months from the date they became payable.



- c) According to the information and explanations, given to us, there are no disputed amounts in respect of Income Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues applicable to it other than those given hereinbelow:

Nature of statute	Nature of Dispute	Amount (Rs.)	Period to which Dispute Relates	Forum Where Dispute is pending
Central Excise	Denial of Modvat Credit	20,000/-	1997-98	Hon'ble Guj. High Court
Income Tax	Disallowance of Bad Debts	Nil	AY 2002 – 03	CIT (Appeal) VIII
Income Tax	Disallowance of Bad Debts	Nil	AY 2004 – 05	CIT (Appeal) VIII
Income Tax	Disallowance of Bad Debts	Nil	AY 2005 – 06	CIT (Appeal) VIII
Income Tax	Disallowance of Bad Debts	Nil	AY 2006 – 07	CIT (Appeal) VIII
Income Tax	Order against A.O.	5,36,68,565	AY-2009-10	CIT (Appeal) VIII

- 10) The accumulated losses of the company at the end of the year do not exceed 50% of its net worth. The company has not incurred cash losses during the current and the immediately preceding year.
- 11) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution bank or debenture holders during the year. However, the IDBI Bank Ltd had restructured account in 2010-11 by granting a One Time Settlement (OTS) to the company. The company has made the payment according to the scheme of OTS and can be said to come out of default subject to full payment of OTS as stipulated.
- 12) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) This Clause of the order is not applicable to the company as the company is not a chit fund company or Nidhi/ Mutual Benefit Fund/Societies.
- 14) According to Information & Explanation given to us, the company is not dealing or trading in shares, securities, Debentures & other Investment.
- 15) According to the information and explanation given to us, and the representation made by the management the Company has not given any guarantee for loans taken by others from any bank or financial Institution.
- 16) The term loans obtained by the company have been applied for the purpose for which they were raised. However no fresh term loan has been obtained during the year.
- 17) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short- term basis have been used for long-term investment
- 18) The Company has not made any preferential allotment to the parties covered in the Register maintained under section 301 of the Companies Act, 1956.
- 19) There are no debentures issued and outstanding during the year.
- 20) During the year under review the Company has not raised any money by public issue(s).
- 21) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of audit.

For V. K. Moondra & Co.
FRN No. 106563W
Chartered Accountants

Place : Santej
Date : 30th May 2012

V. K. Moondra
Proprietor

M. No. 70431

**Balance Sheet as on 31st March 2012**

Particulars	Note No.	As at 31st March, 12 Rupees	As at 31st March, 11 Rupees
I. EQUITY AND LIABILITIES			
Shareholders' Funds:			
Share Capital	1	15,41,55,000	15,41,55,000
Reserves & Surplus	2	3,41,70,491	1,83,00,502
Money received against share warrants		-	-
Share Application money pending allotment		-	-
Non-Current Liabilities			
Long-Term Borrowings	3	13,43,21,936	12,19,46,094
Deferred Tax Liabilities (Net)		-	-
Other Long Term Liabilities		-	-
Long Term Provisions	4	35,91,960	36,01,505
Current Liabilities			
Short-Term Borrowings	5	24,41,23,806	20,05,14,183
Trade Payables	6	4,03,54,418	8,03,33,812
Other Current Liabilities	7	3,43,26,931	4,25,89,572
Short-Term Provisions	8	32,61,416	14,84,464
TOTAL		64,83,05,958	62,29,25,132
II. ASSETS			
Non Current Assets			
Fixed Assets:	9		
Tangible Assets (Net Block)		21,90,94,221	23,38,91,554
In Tangible Assets (Net Block)		2,77,642	-
Capital work in Progress		-	-
InTangibale Asset under development		-	-
Net Fixed Assets		21,93,71,863	23,38,91,554
Non-Current Investments		-	-
Deferred Tax Assets (Net)		3,15,40,410	2,36,41,050
Long Term Loans and Advances	10	1,45,86,064	1,16,62,081
Other Non-Current Assets	11	2,50,000	-
Current Assets			
Current Investments	12	24,69,127	2,00,000
Inventories	13	14,06,59,376	11,62,85,706
Trade Receivables	14	21,38,60,396	20,73,75,565
Cash and Cash Equivalents	15	67,94,491	60,36,096
Short-Term Loans and Advances	16	99,89,810	50,42,784
Other Current Assets	17	87,84,421	1,87,90,296
TOTAL		64,83,05,958	62,29,25,132

See Accompanying Note to the Financial Statements

As per our attached report of even date

For V. K. Moondra & Co.

FR No. : 106563W

Chartered Accountants

V. K. Moondra

Proprietor

Place : Santej

Date : 30th May 2012

For and on Behalf of the Board**Anal Desai**

Company Secretary

Manoj Somani

Managing Director

M. K. Somani

Chairman

Place : Santej

Date : 30th May 2012

**Statement of Profit and Loss for the year ended 31st Mar 2012**

Particulars	Note No.	2011-12 Rupees	2010-11 Rupees
REVENUE			
Revenue from Operation	18	1,87,72,97,370	1,90,95,52,338
Other Income	19	16,04,702	(23,617)
TOTAL REVENUE		1,87,89,02,072	1,90,95,28,721
EXPENDITURE			
Cost of Materials Consumed	20	1,45,86,16,399	1,48,25,80,001
Purchase of Stock in Trade	21	14,66,29,656	16,55,54,040
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	(1,86,93,950)	(1,56,84,764)
Employees Benefits Expenses	23	3,08,82,629	2,68,78,065
Finance Cost	24	3,30,44,590	2,27,46,429
Depreciation & amortisation Expenses		2,47,94,062	2,57,90,653
Other Expenses	25	19,56,58,057	22,78,16,451
TOTAL EXPENDITURE		1,87,09,31,443	1,93,56,80,875
Profit Before Exceptional & Extra Ordinary Items & Tax		79,70,629	(2,61,52,154)
Extra Ordinary Items :			
Loss on Sales of Fixed Assets		-	-
Loss on Sale of Investments		-	-
Add : Other Extra Ordinary Items		-	3,09,89,361
Profit Before Tax		79,70,629	48,37,207
Tax Expenses :			
Income Tax for Earlier Year		-	-
Provision For Income Tax		-	-
Provision for Deferred Tax	(78,99,360)	(78,99,360)	23,02,284
Net Profit/(Loss) for the Year		1,58,69,989	25,34,924
EPS Basic		0.73	0.12
EPS Diluted		0.73	0.12
Face Value Per Share		5/-	5/-

See Accompanying Note to the Financial Statements

As per our attached report of even date

For V. K. Moondra & Co.

FR No. : 106563W

Chartered Accountants

V. K. Moondra

Proprietor

Place : Santej

Date : 30th May 2012

For and on Behalf of the Board**Anal Desai**

Company Secretary

Manoj Somani

Managing Director

M. K. Somani

Chairman

Place : Santej

Date : 30th May 2012

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012**

(Rs. in Lacs)

Particulars	2011-2012	2010-2011
(A) CASHFLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	79.71	48.37
Adjustment for :		
Depreciation	247.94	257.91
Interest Expenses	330.45	227.46
Interest & Other Income	(7.38)	(7.14)
(Profit) / Loss on sale of fixed Assets	(8.67)	7.37
	<u>562.34</u>	<u>485.60</u>
Operating Profit before Working Capital Changes	642.05	533.97
Adjustment For :		
Trade and Other receivables	(46.00)	(147.26)
Inventories	(243.74)	(233.78)
Trade Payable	(464.75)	550.20
	<u>(754.49)</u>	<u>169.16</u>
Cash generated from operations	(112.45)	703.13
Tax Paid		
	<u>0.00</u>	<u>0.00</u>
Net Cash From Operating Activities (A)	(112.45)	703.13
(B) CASHFLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(129.38)	(243.37)
Sales of fixed assets	35.30	14.44
Interest & Other Income	7.38	7.14
(Increase)/Decrease in Investment	(22.69)	(2.00)
	<u>(109.39)</u>	<u>(223.79)</u>
Net Cash used in Investing Activities (B)	(109.39)	(223.79)
(C) CASHFLOW FROM FINANCING ACTIVITIES		
Proceeds from Share Capital	(0.00)	(11.99)
Proceeds from Long/Short term borrowing	559.85	90.11
(Net of repayments)		
Interest	(330.45)	(227.46)
Unpaid Interest Written Back		(309.89)
Proposed Dividend & Dividend Tax	0.00	0.00
	<u>229.40</u>	<u>(459.23)</u>
Net Cash Flow From Financing Activities (C)	229.40	(459.23)
Increase/(Decrease) in cash equivalents	7.58	20.11
Opening Balance of Cash and Cash equivalents	60.36	40.25
Closing Balance of Cash and Cash equivalents	67.94	60.36

Notes:

1 Previous year figures have been restated, wherever necessary, to confirm to this year's classification.

For V. K. Moondra & Co.

FR No. : 106563W

Chartered Accountants

V. K. Moondra

Proprietor

Place : Santej

Date : 30th May 2012

For and on Behalf of the Board**Anal Desai**

Company Secretary

Manoj Somani

Managing Director

M. K. Somani

Chairman

Place : Santej

Date : 30th May 2012

**Note Forming Part of the Balance Sheet**

	As at 31st March, 12 Rupees	As at 31st March, 11 Rupees
NOTE 1 : SHARE CAPITAL		
Authorised Share Capital :		
Equity Share Capital		
2,30,00,000 Equity Shares of Rs. 5/- each	11,50,00,000	11,50,00,000
(Previous Year '2,30,00,000 Equity Shares of Rs. 5/- each)		
Preference Share Capital		
4,50,000 1% Cumulative Redeemable Preference Shares of Rs. 100/- each.	4,50,00,000	4,50,00,000
(Previous Year 4,50,000 Preference Shares of Rs. 100/- each.)		
	<u>16,00,00,000</u>	<u>16,00,00,000</u>
Issued, Subscribed and Paid up Capital:		
Equity Share Capital	10,91,55,000	10,91,55,000
2,18,31,000 (Previous year - 2,18,31,000)		
Equity Shares of Rs. 5/- each		
Preference Share Capital	4,50,00,000	4,50,00,000
1% Cumulative Redeemable Preference Shares		
4,50,000 (Previous year - 4,50,000) of Rs.100/- each		
	<u>15,41,55,000</u>	<u>15,41,55,000</u>
NOTE 2 : RESERVES & SURPLUS		
Capital Reserve	11,94,92,960	11,94,92,960
Securities Premium reserve	3,97,29,900	3,97,29,900
Surplus (Profit & Loss Account)	(12,50,52,369)	(14,09,22,358)
Add : Profit and Loss Account	1,58,69,989	25,34,925
Less : Dividend on CRPS	-	-
Less : Balance brought forward Loss	(14,09,22,358)	(14,34,57,283)
	<u>3,41,70,491</u>	<u>1,83,00,502</u>
NOTE 3 : LONG TERM BORROWINGS		
(A) Term Loans From Bank		
Secured Loans		
From Bank	2,97,00,667	4,50,00,000
Hire Purchase Loans		
From Banks	5,69,483	-
From NBFCs	10,69,555	10,67,246
(Secured against Hypothecation of Vehicles financed by them)		
Unsecured Loans	-	-
(B) Term Loans From Others		
Secured Loans	-	-
Unsecured Loans	-	-
(C) Loans & Advances from Related Parties		
From Body Corporates	6,06,36,432	4,01,42,137
From Others	5,00,000	5,00,000
(D) Other Loans & Advances & Deposites		
From Body Corporates	4,18,45,799	3,52,36,711
From Others	-	-
	<u>13,43,21,936</u>	<u>12,19,46,094</u>
NOTE 4 : LONG TERM PROVISION		
Gratuity Payable	35,91,960	36,01,505
	<u>35,91,960</u>	<u>36,01,505</u>

**Note Forming Part of the Balance Sheet**

	As at 31st March,12 Rupees	As at 31st March,11 Rupees
NOTE 5 : SHORT TERM BORRWINGS		
(A) Loans Payable on Demand From Bank		
I.) Secured Loans		
Bank Over Drafts	23,86,23,806	19,30,14,183
II.) Unsecured Loans	-	-
(B) Loans payable on Demand From Others		
I.) Secured Loans	-	-
II.) Unsecured Loans	55,00,000	75,00,000
(C) Loans & Advances From Related Parties	-	-
(D) Others Loans, Advances & Deposites	-	-
	<u>24,41,23,806</u>	<u>20,05,14,183</u>
NOTE 6 : TRADE PAYABLES		
Sundry Creditors For Goods	4,03,54,418	8,03,33,812
	<u>4,03,54,418</u>	<u>8,03,33,812</u>
NOTE 7 : OTHER CURRENT LIABILITIES		
Installment of Term Loans From Bank & Others payable within 12 months		
Term Loans From Bank repayable within 12months	1,50,00,000	1,71,97,439
Hire Purchase Loans		
From Banks repayable within 12 months	2,52,943	-
From NBFCs repayable within 12 months	15,21,901	12,06,465
Advance received from Customers	20,48,252	6,86,391
Creditors for Capital Goods	-	24,41,104
Creditors For Expenses	1,55,03,835	2,10,58,173
Proposed Dividend & Dividend Tax	-	-
	<u>3,43,26,931</u>	<u>4,25,89,572</u>
NOTE 8 : SHORT TERM PROVISION		
Statutory Liabilities	13,46,963	11,95,296
Provision for Expenses	19,14,453	2,89,168
Provision for Tax	-	-
	<u>32,61,416</u>	<u>14,84,464</u>
NOTE 9 : FIXED ASSETS (See page 24)		
NOTE 10 : LONG TERM LOANS & ADVANCES		
(A) Loans & Advances to Related Parties	-	-
(B) Loans & Advances to Others		
Advances to Staff	6,70,851	-
Statutory Receivables	37,64,484	25,95,043
Advances to Contractor	2,50,000	35,000
(C) Capital Advances	-	-
(D) Security Deposit	99,00,729	90,32,038
	<u>1,45,86,064</u>	<u>1,16,62,081</u>
NOTE 11 : OTHER NON CURRENT ASSETS		
(Unsecured - Considered Goods)		
(A) Long Term Trade Receivable	-	-
(B) Others	2,50,000	-
	<u>2,50,000</u>	<u>-</u>
NOTE 12 : CURRENT INVESTMENTS		
Investments	24,69,127	2,00,000
	<u>24,69,127</u>	<u>2,00,000</u>



Note Forming Part of the Balance Sheet

NOTE 9 : FIXED ASSETS

			GROSS BLOCK				DEPRECIATION				NET BLOCK (As on)	
Sr. No.	Dep (%)	Particulars	Opening	Addition	Deduction	Closing	Opening	For Year	Sales	Closing	31-03-12	31-03-11
(A) TENGIBLE ASSETS												
1		Land	26,24,938	-	-	26,24,938	-	-	-	-	26,24,938	26,24,938
2	3.34	Building	10,04,13,809	4,00,463	-	10,08,14,272	3,53,95,877	33,61,641	-	3,87,57,518	6,20,56,754	6,50,17,932
3	10.34	Plant & Machinery	45,55,42,597	70,62,675	2,48,34,731	43,77,70,541	33,04,95,450	1,78,49,300	2,31,10,955	32,52,33,795	11,25,36,746	12,50,47,148
4	4.75	Electric Instalation	2,06,72,574	13,28,659	-	2,20,01,233	1,22,87,991	10,26,796	-	1,33,14,787	86,86,446	83,84,583
5	4.75	D.G. Set	2,80,47,591	-	-	28,047,591	67,47,052	13,32,261	-	80,79,313	1,99,68,278	2,13,00,539
6	4.75	Office Equipment	27,57,425	1,14,050	1,08,836	27,62,639	14,09,548	1,27,474	26,623	15,10,399	12,52,240	13,47,877
7	6.33	Furniture	61,24,570	-	-	61,24,570	46,63,043	3,87,685	-	50,50,728	10,73,841	14,61,526
8	9.50	Vehicle	1,43,68,846	36,54,361	22,60,020	1,57,63,187	72,23,692	7,48,923	14,02,128	65,70,487	91,92,700	71,45,154
9	4.75	Air Conditioner	18,60,981	-	-	18,60,981	8,01,508	88,396	-	8,89,904	9,71,077	10,59,473
10	16.21	Computer	64,49,804	84,542	-	65,34,346	59,47,418	(1,44,272)	-	58,03,146	7,31,200	5,02,385
(B) INTENGIBLE ASSETS												
11	16.21	Computer Software	-	2,93,500	-	2,93,500	-	15,858	-	15,858	2,77,642	-
		Total	63,88,63,135	1,29,38,250	2,72,03,587	62,59,798	40,49,71,579	2,47,94,062	2,45,39,706	40,52,25,935	21,93,71,863	23,38,91,555
		Total	61,78,76,143	2,43,36,488	33,49,496	63,88,63,134	38,03,49,386	2,57,90,653	11,68,459	40,49,71,580	23,38,91,555	23,75,26,757

Note : Excess Depreciation Charged on Computers in earlier years have been rectified in Current Year

**Note Forming Part of the Profit and Loss Account**

	As at 31st March,12 Rupees	As at 31st March,11 Rupees
NOTE 13 : INVENTORIES		
(As certified by the management)		
Raw Materials	6,60,03,912	6,34,00,052
Stock Work in process	2,95,38,954	2,51,97,354
Finished Goods	3,55,44,430	2,11,92,080
Consumable Stores & Maintenance Spares	95,72,080	64,96,220
	<u>14,06,59,376</u>	<u>11,62,85,706</u>
NOTE 14 : TRADE RECEIVABLE		
(Unsecured, Considered Good)		
Outstanding for more than six months	2,13,64,157	83,80,253
Others	19,24,96,239	19,89,95,311
	<u>21,38,60,396</u>	<u>20,73,75,564</u>
NOTE 15 : CASH & CASH EQUIVALENTS		
A) Cash in hand	25,40,945	17,24,888
B) Bank Balances	3,51,223	4,98,928
C) Bank Deposite with Morethan 12 months Maturity	39,02,323	38,12,280
D) Bank Balances Held as Margin Money & Other Balances	-	-
	<u>67,94,491</u>	<u>60,36,096</u>
NOTE 16 : SHORT TERM LOANS & ADVANCES		
a) Loans & Advancs to Related Parties		
b) Loans & Advances to Others		
Staff & Other Advances	16,75,558	20,37,394
Advances recoverable in cash or in kind	83,14,252	30,05,390
	<u>99,89,810</u>	<u>50,42,784</u>
NOTE 17 : OTHER CURRENT ASSETS		
(Unsecured, Considered Good) or for value to be received		
Dues with Revenue Authorities		
Income Tax/TDS Receivable	1,27,726	46,591
VAT Receivable	54,15,520	85,55,268
Balances of Excise Duty & Service Tax	32,41,175	1,01,88,437
	<u>87,84,421</u>	<u>1,87,90,296</u>
NOTE 18 : REVENUE FROM OPERATIONS		
Sales (Net of Sales Return)	1,57,33,01,423	1,50,29,37,039
Less: Excise Duty	(1,54,36,597)	(79,01,915)
Job Work Receipts	4,54,878	14,00,000
Export Sales	2,37,22,188	1,52,81,722
Trading Sales	14,52,27,990	16,63,09,436
Sale of Raw Material	15,00,27,488	23,15,26,056
	<u>1,87,72,97,370</u>	<u>1,90,95,52,338</u>
NOTE 19 : OTHER INCOME		
Other Non Operating Income	69,127	-
Interest Income	6,69,003	7,13,593
Profit/ (Loss) on Sales of Assets	8,66,572	(7,37,210)
	<u>16,04,702</u>	<u>(23,617)</u>
NOTE 20 : COST OF MATERIALS CONSUMED		
Raw Material Consumption	1,45,86,16,399	1,48,25,80,001
	<u>1,45,86,16,399</u>	<u>1,48,25,80,001</u>

**Note Forming Part of the Profit and Loss Account**

	As at 31st March,12 Rupees	As at 31st March,11 Rupees
NOTE 21 : PURCHASE OF STOCK IN TRADE		
Cost of Re Sale	14,66,29,656	16,55,54,040
	<u>14,66,29,656</u>	<u>16,55,54,040</u>
NOTE 22 : Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		
Closing stock - Finished Goods	3,55,44,430	2,11,92,080
Opening Stock - Finished Goods	(2,11,92,080)	(1,16,80,723)
Closing stock - Work In Progress	2,95,38,954	2,51,97,354
Opening Stock - Work In Progress	(2,51,97,354)	(1,90,23,947)
	<u>1,86,93,950</u>	<u>1,56,84,764</u>
NOTE 23 : EMPLOYEE BENEFITS EXPENSE		
Wages and Salary	2,55,14,862	2,22,99,544
P F Contribution	18,58,006	15,78,381
Bonus	10,13,752	9,50,711
Staff Welfare Expense	3,06,009	6,09,429
Director's Remuneration	21,90,000	14,40,000
	<u>3,08,82,629</u>	<u>2,68,78,065</u>
NOTE 24 : FINANCE COST		
Interest paid		
On Term Loans	62,58,657	5,20,778
For Working Capital	2,01,82,476	1,95,65,016
Others Borrowing Cost	66,03,457	26,60,635
Nett (Gain) / Loss on Foreign Currency Transaction	-	-
	<u>3,30,44,590</u>	<u>2,27,46,429</u>
NOTE 25 : OTHER EXPENSES		
MANUFACTURING EXPENSES		
Consumption of Stores and Spares	2,52,37,082	3,22,17,195
Freight and Octroi Expenses	2,13,60,632	1,63,87,396
Labour Charges	5,02,24,279	5,78,60,105
Power, Fuel & Water Charges	5,61,66,080	6,04,03,220
Factory Expenses	13,18,375	27,21,872
ADMINISTRATIVE AND SELLING EXPENSES		
Rent, Rates and Taxes	19,43,079	19,00,875
Postage & Telephone	7,43,021	8,49,909
Travelling & Conveyance	43,98,446	62,85,980
Directors Travelling	3,74,676	6,48,848
Directors Foreign Travelling	6,56,480	1,37,908
Legal & Professional Charges	25,49,547	59,11,854
Insurance Expenses	8,81,525	7,29,299
Sales Expenses	67,85,372	1,46,13,646
Freight & Octroi on Sales	1,69,12,461	2,02,77,566
Administrative expenses	65,17,267	64,23,962
(Profit)/Loss On Foreign Exchange	(4,10,264)	2,28,302
Bad Debts	-	2,18,515
	<u>19,56,58,057</u>	<u>22,78,16,451</u>

**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS****1. Significant Accounting Policies****A. Basis for Preparation of Accounts:**

The financial statements have been prepared under the historical cost convention, in accordance with Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956, as adopted consistently by the company. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis.

B. Revenue Recognition:

Sales are recognized when goods are supplied and recorded net of excise duty on goods manufactured but includes job work income.

C. Fixed Assets & Depreciation:

Fixed Assets are capitalised at cost inclusive of Inward Freight, Duties, Taxes, Installation expenses and allocable preoperative expenses. Depreciation has been provided on Straight Line Method, at the rates specified under schedule XIV to the Companies Act, 1956. No depreciation is provided on assets that have already been depreciated to the extent of 95% of their original value.

D. Investments:

Investments are stated at market value as on date of Balance Sheet.

E. Inventories:

Raw material and consumables at Cost (net of Excise & VAT) including expenses incurred in bringing the inventories to its present location and condition.

The finished goods have been valued inclusive of Excise duty.

F. Retirement benefits:

(i) The Company's contribution to provident fund is charged to Profit and Loss Account.

(ii) Leave encashment is paid on annual basis every year and charged to Profit & Loss Account.

(iii) Provision for Accrued Gratuity has been made on the basis of in house estimate only and not on the basis of professional actuarial valuation report.

G. Foreign Currency Transactions:

Transactions in Foreign currency are recorded at the rate of exchange in force at the time transactions are effected and exchange difference, if any, on settlement of transaction is recognised in Profit & Loss Account. Monetary transaction balance as on date of Balance Sheet have been reported at exchange rate on Balance Sheet date.

H. Contingent Liability:

A disclosure for a contingent liability is made when there is a possible obligation as a result of past event, existence of which will be confirmed only by occurrence or non occurrence of a future event, which is not wholly within the control of the enterprise.

I. Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

J. Related Party Transactions:

Disclosure of transactions with Related Parties, as required by Accounting Standard 18 "Related Party Disclosures" has been set out in a separate statement annexed to this Schedule. Related Parties as defined under clause 3 of the Accounting Standard have been identified on the basis of representations made by key managerial personnel and information available with the Company.

K. Taxes on Income:

In view of the brought forward losses, no provision for income tax has been made.

L. Provisions:

A provision is recognized when company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate has been made of the amount of the obligation.

2. Previous year figures have been regrouped and rearranged, wherever necessary, to make them comparable with the current year figures.

3. Additional information pursuant to the provisions of paragraph 3, 4C and 4D of Schedule VI of the Companies Act, 1956.

I. Quantitative information of Label Division is not possible to compile, hence, it is not given.

II. Quantitative details of Woven Sacks Division is as under:

A. Particulars in respect of Goods Manufactured:

Division	Units	Licensed Capacity		Installed Capacity		Actual Production	
		2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Woven Sacks	MT	N.A.	N. A.	13100	13100	11779*	12341*

* Excluding Production Outside on Job work basis 129 MT (Previous Year 299 MT)

CIF Value of Imports: (including purchases on High Seas Basis)

Year	2011-12		2010-11	
Particulars	Quantity (Kgs)	Value (Rs.)	Quantity (Kgs)	Value (Rs.)
Raw Materials	1,95,000	1,81,97,653	—	—
Stores & Spares	—	15,34,355	—	15,06,688
Capital Goods	—	—	—	—

B. Value of imported and indigenous Raw materials, Spare parts and Components consumed and percentage thereof to the total consumption:

Year	2011-12		2010-11	
Particulars	Percentage	Value Rs.	Percentage	Value Rs.
1. Raw Materials				
Imported	1.13%	1,81,97,653	—	—
Indigenous	98.87%	1,58,70,48,402	100.00%	1,64,81,34,041
2. Consumable Stores				
Imported	6.08%	15,34,355	4.68%	15,06,688
Indigenous	93.92%	2,37,02,727	95.32%	3,07,10,507

C. Expenditure in Foreign Currency (on actual payment basis- Amount in Rs.)

Particulars	2011-12	2010-11
Spares	15,34,355	15,06,688
Membership fees	3,02,987	-

D. Earnings in Foreign Currency:

Export Sales (Direct Exports only)	2,37,22,188	1,52,81,722
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E. Payment to Auditors:

Audit Fees (including Tax Audit Fees)	2,00,000	2,00,000
Total	2,00,000	2,00,000

F. Payment to Directors:

Directors Remuneration (including P.F.)	24,52,800	16,12,800
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4. Broad Categories of Major Material & Services. :

A. Raw Material Consumed. :

- Polypropylene / LLDPE
- White & Colour Master Batch
- Ink & Reducer

**B. Finished Goods Manufactured :**

- a. Tape
- b. Fabric
- c. Woven Sacks
- d. Woven Label

C. Finished Goods Traded:

- a. Fabric

D. Services Provided : NIL**E. Work In Progress :**

- a. Tape
- b. Fabric
- c. Woven Sacks Cut-Pcs.

5. Shareholders with holding over 5% on date of Balance sheet :

No.	Name of Shareholder	No of Shares	% of Holding
1.	Arunodaya Credit & Holding Invt. P. Ltd.	26,60,000	12.18 %
2.	Vinayaka Credit & Holding Invt. P. Ltd.	26,00,000	11.91 %

6. Details of Shares Issued :

Particulars	Number of Shares	Amount in Rs.
Equity Shares outstanding at the beginning of the year	2,18,31,000	10,91,55,000
Equity Shares issued during the year	Nil	Nil
Equity Shares bought back during the year	Nil	Nil
Equity Shares outstanding at the end of the year	2,18,31,000	10,91,55,000
Preference Shares outstanding at the beginning of the year	4,50,000	4,50,00,000
Preference Shares issued during the year	Nil	Nil
Preference Shares bought back during the year	Nil	Nil
Preference Shares outstanding at the end of the year	4,50,000	4,50,00,000

7. Details on Secured & Unsecured Term Loans & Credit Facilities :

No.	Account Name	No of Installments o/s and Amt of Each Installment	Rate of Interest (%)	Primary & Collateral Security & Names of directors who have guaranteed the loan.
01	Dena Bank Working Capital Facility	—	14.00 %	Stocks of raw materials, work in process, finished goods, stores & spares and receivables.* Personal Guarantee of following Director: Mr. Mahendra Somani, Mr. Manoj Somani & Mr. Manish Somani.
02	IDBI Bank Ltd.	Rs.1.47 Cr. in 2012-13 Rs. 3.00 Cr in 2013-14	16.00 %	Land, Building and Hypothecation of Plant & Machinery at Santej Unit



03	HDFC Bank Ltd	23 Installments of Rs. 27,574/- each	10.37%	Secured against Hypothecation of Vehicles.
04	Religare Finvest Limited	14 Installments of Rs. 23,315/- each	13.01%	Secured against Hypothecation of Vehicles.
05	Religare Finvest Limited	14 Installments of Rs. 27,100/- each	11.73%	Secured against Hypothecation of Vehicles.
06	Religare Finvest Limited	24 Installments of Rs. 37,650/- each	11.42%	Secured against Hypothecation of Vehicles.
07	Kotak Mahindra Prime Limited	23 Installments of Rs. 54,920/- each	10.69%	Secured against Hypothecation of Vehicles.

* Above credit facilities are further secured by:

- Second Charge on the Fixed Assets financed by IDBI Ltd.
- First charge over the Fixed Assets of Kadi Unit of the Company.
- Corporate Guarantee of Kabra Investment Pvt. Ltd.

8. Details of Investments in Securities as on date of Balance Sheet :

No.	Details of Securities	Subsidiary / Others	No. of Shares / Units	Quoted / Unquoted	Amount [Rs.]
1	DSP Blackrock Top 100 Equity Fund	Others	6229.65	Quoted	6,19,595
2	HDFC Prudence Fund	Others	2890.31	Quoted	6,22,542
3	IDFC Premier Equity Fund	Others	18722.99	Quoted	6,16,662
4	Reliance Growth Fund	Others	1406.86	Quoted	6,10,328
	Total				24,69,127

9. Estimated amounts of contracts remaining to be executed on Capital Account (Net of Advance) and not provided for Rs. - Nil (Previous year - Nil)

10. Contingent Liability not provided for in respect of:

31.03.2012

Rs. in lacs

31.03.2011

Rs. in lacs

Guarantee given by Company's bankers

47.00

55.75

(Guarantees have been given by the Company's bankers in the normal course of business and are not expected to result in any liability on the Company)

Export commitments to be fulfilled for Import of Raw Material against advance license

45.00

45.00

11. On the basis of the information available with the company, there is no amount remaining unpaid as on 31st March, 2012 to any supplier who is a small scale or ancillary industrial undertaking beyond the agreed credit period.

12. Related Parties Disclosure:

List of Related Parties

(a) Key Management Personnel

Mr. Mahendra Somani	Chairman
Mr. Manoj Somani	Managing Director
Mr. Manish Somani	Executive Director

(b) Relatives of Key Management Personnel where transactions have taken places:

Mrs. Purnima Somani	Wife of Shri Manish Somani
Mrs. Ushadevi Somani	Mother of Shri Manoj & Manish Somani



(c) Related Concerns:

Arunodaya Credit & Holding Investment (P) Ltd.
Gopala Mercantile Ltd.
Gopala Trims Pvt. Ltd.
Gopala Kraft pack (P) Ltd.
Indian Bobbin Manufacturing Co. (P) Ltd.
Kabra Investment Pvt. Ltd.
Kagaj Marketing & Trading Pvt. Ltd.
Kaustubh Trade Pvt. Ltd.
Navjeevan Synthetics (P) Ltd.
New Life Marketing & Trading (P) Ltd.
Parag Velvets (P) Ltd.
Status Credit & Capital Pvt Ltd
Vinayaka Credit & Holding Investment (P) Ltd.

(d) Transaction with Related Parties (Amt. in Rs. Lacs)

Particulars	Key Managerial Personnel	Relative of Key Managerial Personnel	Related Concerns
Rent Paid	0.264 (0.264)	2.646 (2.646)	—
Directors Remuneration	24.528 (16.128)	—	—
Loans Taken	5.00 (5.00)	—	164.93 (126.42)
Loans Paid	—	—	11.03 (-)
Interest Paid	—	—	7.78 (2.17)

Note : 1. Directors Remuneration is inclusive of Contribution to Provident Fund by Company.
2. Previous Year figures are given in brackets.

13. Segment Reporting

Primary segment reporting – Business segment

(Rs. In Lacs)

No.	Particulars	2011-12			2010-11		
		Woven Sacks	Woven Label	Total	Woven Sacks	Woven Label	Total
1	Segment Revenue						
	External Sales & Other Income	16,243.66	2,544.51	18,788.17	16,505.75	2,596.90	19,102.65
	Total	16,243.66	2,544.51	18,788.17	16,505.75	2,596.90	19,102.65
2	Segment Results before Interest & Taxation	142.93	267.22	410.15	(131.28)	97.22	(34.06)
	Less: Unallocable Expenditure						
	Interest			330.45			227.46
	Extra Ordinary Items			0.00			(309.89)
	Net Profit/(Loss) Before Tax			79.70			48.37
3	Other Information						
	Segment Assets	5,107.20	1,371.18	6,478.39	4,852.94	1,376.31	6,229.25
	Segment Liabilities	5,107.20	1,371.18	6,478.39	4,852.94	1,376.31	6,229.25
	Capital Expenditure	83.14	46.25	129.38	156.86	86.50	243.36
	Depreciation			247.94			257.91



- Notes: a. The company has identified business segments as primary segments. The reportable business segments are Woven Sacks and Woven Label.
- b. Secondary Segment Information - Geographical Segments
The sales of company are mainly in India. Therefore no reportable Geographical Segments.

14. Deferred Tax Asset has been calculated as below:

Particulars	Amount
Calculation of DTA / DTL	2011-12
(DTL)	
WDV as on 31.03.12 as per the Co. Act	21,93,71,863
WDV as on 31.03.12 as per the I.T. Act	14,06,70,865
Amount Eligible for DTL as on 31.03.12	7,87,00,998
DTL required as on 31.03.12	2,43,18,608
Deferred Tax Assets (DTA)	
Brought Forward Losses/Unabsorbed Dep. Upto 31.03.11	18,78,77,580
Current Year Losses/(Profit)	(71,04,057)
Amount Eligible for DTA as on 31.03.12	18,07,73,523
DTA required as on 31.03.12	5,58,59,019
Net (DTA)/DTL Required as on 31.03.12	(3,15,40,410)
Opening (DTA)/DTL as on 01.04.11	(2,36,41,050)
DTL/(DTA) Provided in 11-12	(78,99,360)

15. Balances of some of the Sundry Debtors, Loans & Advances, Creditors and other parties including inoperative Bank a/c are subject to confirmation and reconciliation.

Signed for Notes '1' to '25'

Referred to in our report of even date

For V. K. Moondra & Co.

FRN No. 106563W
Chartered Accountants

V. K. Moondra

Proprietor
M. No. 70431

Place : Santej
Date : 30th May 2012

For and on Behalf of the Board

Anal Desai
Company Secretary

Manoj Somani
Managing Director

M. K. Somani
Chairman

Place : Santej
Date : 30th May 2012



GOPALA POLYPLAST LTD.

Registered Office :
485, Santej Vadsar Road, Santej, Taluka Kalol, Dist. Gandhinagar-382721

ATTENDANCE SLIP

28th ANNUAL GENERAL MEETING ON 22nd SEPTEMBER, 2012, At 11.00 A.M.

Reg. Folio No. _____ Client ID and DP ID No. _____

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the 28th ANNUAL GENERAL MEETING of the Company at Plot No. 485, Santej Vadsar Road, Santej, Taluka Kalol, Dist. Gandhinagar-382721

Member's/Proxy's name in BLOCK letters

Member's/Proxy's Signature

Note : Please fill this attendance slip and hand it over at the ENTRANCE.

------(TEAR HERE)-----



GOPALA POLYPLAST LTD.

Registered Office :
485, Santej Vadsar Road, Santej, Taluka Kalol, Dist. Gandhinagar-382721

FORM OF PROXY

I/We _____ of _____

in the district of _____ being a member/members of the above-named company hereby appoint

_____ of _____

in the district of _____ or failing him _____

of _____ in the district of _____ as my/our proxy to vote for me/our
behalf at the 28th ANNUAL GENERAL MEETING of the Company to be held on 22nd September, 2012
or at any adjournment thereof.

Signed this _____ day _____ 2012

Signature _____

Affix a
Re. 1/-
Revenue
Stamp

Reg. Folio No. _____ Client ID and DP ID No. _____

Note : This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

(TEAR HERE)



If not delivered return to :

GOPALA POLYPLAST LTD.

485, Santej – Vadsar Road, Santej - 382 721

Tel.: 02764 286305, 286654, 286514. Fax : 02764 - 286660

E-mail: hdpeaccounts@gopalapolyplast.com

